



California Integrated Waste Management Board

# *Economic Data Collection Status Report*

February 2, 2009



R·W·BECK

Mind Powered: Insight with Impact.

# Presentation Summary

- Focus: Economic primary data collection approach and results
  - Primary data = data from survey of CA operating facilities
- Status: Economic secondary data collection approach
  - Secondary data = data from other sources, e.g. published data, reports, etc. not necessarily CA
- Next steps

# Economic Primary Data Collection Approach

## California Integrated Waste Management Board Financial and Operating Data Survey - Composting Facilities

Thank your for participating in this data collection effort. The following survey lists the types of data and information that we need for the analysis. We are most interested in detailed data on specific facilities; however, we are also interested in feedback on the bottom line cost estimates (e.g. typical costs per ton for specific facilities and materials) and the factors that most influence bottom line costs. If a copy of your income and/or operating statement can be provided that shows revenues, expenses and capital expenses for 2006, then please skip Section F through Section H. If you have any questions about this survey, please feel free to contact Gina Baxter from R. W. Beck, Inc. at (206) 695-4768 or gbaxter@rwbeck.com.

### SECTION G: 2006 ANNUAL OPERATING COSTS

35	Direct Labor <i>(Please specify by classification such as operators, sorters, supervisors, etc.)</i>		
36	Indirect Labor <i>(Please specify by classification such as administrative, marketing, etc.)</i>		
37	Contract Labor <i>(if applicable)</i>		
38	Benefits <i>(Please specify separately by annual costs or percent of annual wages/salaries for direct labor and indirect labor.)</i>		
39	Electricity Costs		



# Economic Primary Data Collection Approach

- Goals
  - Use of existing data from operating facilities (collected via surveys)
  - Coordinate with LCA effort
  - “Apples to Apples” comparison
  - Striving for transparency

# Economic Primary Data Collection Approach

- Nature of economic data requested
  - Detailed O&M cost data
    - Cost drivers -
      - Labor
      - Energy costs
      - Fuel costs
      - Annual capital costs (cash financed capital, debt service, depreciation)
    - Facility Specific
      - Post closure costs for landfills
      - Ash disposal for WTE and BTE
  - Detailed capital cost data
    - Initial costs
    - Annual costs

# Economic Primary Data Collection Approach

- Challenges
  - Extensive survey
  - 2-1/2 month delay
  - 4<sup>th</sup> Quarter timing not optimal
  - Confidentiality concerns with cost data
  - Separating cost data for multi-process agencies
  - Multiple requests for information
  - Finding the right contact person
  - State of the economy

# Economic Primary Data Collection Approach

- Strategies to overcome barriers to completing survey
  - Relied on existing relationships where possible
  - Requested existing reported data; no special reports
  - Offered to complete surveys with existing reports
  - Offered confidentiality agreement
  - Willing to take high level summary data if detailed data could not be provided
  - Deadline extension

# Economic Primary Data Collection Results

- Low response rate
- Regional differences may be difficult to discern due to lack of data
- Data for economic (I/O) model will be developed using more generic sources



# Economic Primary Data Collection Results - Partial Composting Raw (not vetted) Data

	City A	City A	City B
	FY '05 - '06	FY '06 - '07	2006
1			
2 OPERATING EXPENSES			
3 Direct Labor	\$1,406,572	\$1,346,136	\$325,000
4 Contract Labor	0	0	65,000
5 Benefits	621,085	610,919	100,000
6 Electricity	9,637	13,320	3,500
7 Water	84,711	62,322	0
8 Sewer	0	0	1,200
9 Utility: Other	1,765	1,867	1,900
10 Lease Payments	0	0	152,000
11 Contract Payments	0	0	0
12 Public Education	0	0	4,000
13 Disposal	0	0	0
14 Supplies	90,589	51,307	2,500
15 Depreciation	0	0	0
16 Insurance	29,700	37,932	7,500
17 Debt Service( <i>Principal and Interest Payments</i> )	0	0	82,000
18 Maintenance	0	0	142,000
19 Fuel	0	0	95,000
20 Property Taxes	0	0	0
21 Facilities and Equipment Rent or Lease	2,068,423	2,134,182	18,000
22 Other Equipment	0	17,786	0
23 Security	0	0	0
24 General Overhead/Administrative Costs	574,376	664,866	0
25 Transportation Costs	0	0	0
26 Other Costs	0	0	0
27 Total Operating Costs	0	0	0
28 TOTAL OPERATING EXPENDITURES	\$4,886,858	\$4,940,637	\$999,600
29 TOTAL TONNAGE	197,820	194,267	64,778
30 FACILITY COSTS (\$/TON)			
31 Operating Expenditures (\$/Ton)	\$25.00	\$25.00	\$15.00

# Economic Secondary Data Collection Approach

- CIWMB and CARB resources
  - Solid waste projections
  - Guidance on economic analyses
  - Guidance on potential regulatory changes
  - Facility information
- Published studies and analyses
  - Cost, revenue and operating data
  - Future facilities and processes information
- RWB studies and analyses
  - Cost, revenue and operating data

# Using the Data - “Caveats”

- Need to assess level of transparency
- How reasonable is the data?
- How region specific is the data?
- Did we achieve “apples to apples” comparison?

# Next Steps

- Continue vetting data
- Follow up calls to participants
- Continue gathering secondary data
- Continue working on financial projections
- Start economic analysis (IMPLAN model)
- Analyze results
- Prepare draft report